

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

200 W. Washington, Suite 301
Indianapolis, IN 46204
(317) 233-0696
<http://www.in.gov/legislative>

FISCAL IMPACT STATEMENT

LS 7053

BILL NUMBER: HB 1371

NOTE PREPARED: Jan 5, 2009

BILL AMENDED:

SUBJECT: Paid Breaks and Sick Leave for Employees.

FIRST AUTHOR: Rep. Blanton

FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: ☒ **GENERAL**
☒ **DEDICATED**
☐ **FEDERAL**

IMPACT: State & Local

Summary of Legislation: This bill requires certain employers to give employees who are scheduled to work at least 30 hours in a week a paid break of at least one hour for each day that the employee is scheduled to be on duty in a week. It provides for payment to the employee instead of a paid break under certain circumstances.

The bill requires certain employers to provide certain employees a paid sick leave of at least one hour for each 30 hours that the employee is scheduled to be on duty in a week.

The bill provides that the failure to give a paid break or to pay compensation for a missed break or the failure to provide paid sick leave is a Class A infraction for the first violation, and a Class B misdemeanor for a subsequent violation. It provides for enforcement by the Commissioner of Labor.

Effective Date: July 1, 2009.

Explanation of State Expenditures: The bill excludes state employees.

The bill gives the Commissioner of Labor the authority and power to enforce the lunch and sick leave provisions of the bill. The Department of Labor could incur some additional expense for the enforcement of the bill. The funds and resources required above could be supplied through a variety of sources, including the following: (1) existing staff and resources not currently being used to capacity; (2) existing staff and resources currently being used in another program; (3) authorized, but vacant, staff positions, including those positions that would need to be reclassified; (4) funds that, otherwise, would be reverted; or (5) new appropriations. The department on December 15, 2008, had 5 vacant positions valued at \$474,696 and

reverted \$474,696 for FY 2008. Ultimately, the source of funds and resources required to satisfy the requirements of this bill will depend upon legislative and administrative actions.

Explanation of State Revenues: *Penalty Provision:* If additional court cases occur and fines are collected, revenue to both the Common School Fund (from fines) and the state General Fund (from court fees) would increase. The maximum fine for a Class B misdemeanor is \$1,000, which would be deposited into the Common School Fund. The maximum judgment for a Class C infraction is \$500, which would be deposited in the state General Fund. However, any additional revenue would likely be small.

Explanation of Local Expenditures: The bill excludes local employees.

Penalty Provision: A Class B misdemeanor is punishable by up to 180 days in jail.

Explanation of Local Revenues: *Penalty Provision:* If additional court actions occur and a guilty verdict is entered, local governments would receive revenue from court fees. However, any change in revenue would likely be small.

State Agencies Affected:

Local Agencies Affected: Trial courts, local law enforcement agencies.

Information Sources:

Fiscal Analyst: Chuck Mayfield, 317-232-4825.